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Transcription of Video

<https://www.cnbc.com/video/2018/08/07/was-elon-musks-tweet-market-manipulation-tesla-tsla-stock-elon-musk-private-capital-investors-sec.html>

Video Runtime: 0:03:47

1 (Beginning of Video Recording.)

2 FEMALE VOICE: Tesla CEO Elon Musk
3 tweeting that he's considering taking Tesla
4 private at \$420, and that funding is secured.
5 He then followed by saying, "I don't have a
6 controlling vote now and wouldn't expect any
7 shareholder to have one if we go private. I
8 won't be selling in either scenario." Let's
9 bring in Mike Santoli and Bob Pisani on the
10 floor of the New York Stock Exchange to
11 discuss. Gentlemen, what is the sentiment on
12 the floor of the New York Stock Exchange,
13 given this news today? Bob, I'll start with
14 you.

15 MIKE SANTOLI: Anybody know to make of
16 it?

17 BOB PISANI: I think people are just --
18 we were just talking; people are just puzzled
19 and don't know what to make of it. I'll tell
20 you the big question is was it even legal
21 doing what he said. Now, I don't know the
22 answers, but I can tell you for sure, Mike
23 knows this, the very heart of the SEC Act of
24 1934, that created the SEC involved statements
25 about market manipulation because that was a

1 big problem in the 1920s, so they wanted to
2 make it very clear under what circumstances
3 people might be manipulating the market.

4 Now, if Mr. Musk was trading around
5 this announcement, that's clearly
6 manipulation, but I assume that's not
7 happening. But even if he was making
8 statements to affect the price of the stock,
9 potentially, that could involve questions of
10 manipulation. I don't know, but I'm quite
11 sure that this SEC lawyers are looking at this
12 right now, and that's --

13 MIKE SANTOLI: Yeah.

14 BOB PISANI: -- probably what people
15 are wondering about. Why would he make such a
16 statement?

17 MIKE SANTOLI: I mean, it was
18 established, as you guys have said, that
19 disclosing material information by way of
20 social media, Twitter or Facebook, has now
21 been allowed as a legal way for a corporate
22 executive to get information out there. The
23 question is the truthfulness of that
24 information, right, and the intent behind it,
25 so yeah, having secured funding, to me, is the

1 big number right there. And beyond that, just
2 financially, how would this potentially work?
3 If you look at all of the amount of capital
4 you would need to take out all the other
5 shareholders aside from Elon Musk and maybe
6 some other strategic ones, they already have
7 debt on the balance sheet. And let's
8 remember, once whatever group of investors
9 were to maybe take --

10 BOB PISANI: Yep.

11 MIKE SANTOLI: -- this company private,
12 you still have tremendous capital demands
13 because the company is still investing to grow
14 so much, building a plant in China, for
15 example, is one of its wishes. So, so many
16 questions --

17 BOB PISANI: Yeah.

18 MIKE SANTOLI: -- about whether the
19 market could swallow a deal like this, even if
20 it were by process.

21 BOB PISANI: But just to go back to
22 this question, even if the statement is true,
23 everything he said, assuming it's true there,
24 if this was effected for the purpose of moving
25 the stock price, I mean, he said he hates the

1 shorts already, that could -- questions could

2 --

3 MIKE SANTOLI: Sure.

4 BOB PISANI: -- arise about SEC

5 potential violations there. That's why --

6 what's what -- immediately what I saw. That

7 was my question.

8 MALE VOICE: We're going to talk about

9 that with our next guest, former SEC chairman,

10 Harvey Pipp. Let me ask both of you guys, our

11 producer, Sandy Kenel (phonetic), asks, if

12 this deal were done involving a ton of foreign

13 money, might CIPHIAS (phonetic) come into

14 play, might the President oppose it based on

15 the idea that we can't have a company that is

16 strategically important, electric vehicles

17 controlled by foreign investors?

18 MIKE SANTOLI: It's obviously an

19 interesting question.

20 BOB PISANI: It's a small investment,

21 though. It's 3 to 5 percent --

22 MALE VOICE: No, what I'm saying if the

23 financing --

24 MIKE SANTOLI: -- If the other

25 investors were foreign --

1 MALE VOICE: if the other investors
2 were foreign.

3 BOB PISANI: Yeah --

4 MALE VOICE: -- the foreign players --

5 MIKE SANTOLI: Well, potentially --

6 MALE VOICE: -- China --

7 MIKE SANTOLI: -- actually, a little
8 bit of an irony, if, in fact, this
9 administration said, nope, electric vehicles
10 manufactured here is a strategic investment
11 required for economic and national security, I
12 do think --

13 BOB PISANI: Yes.

14 MIKE SANTOLI: -- the question would
15 be asked, of course, would really matter a lot
16 exactly what countries the funding --

17 MALE VOICE: Yeah.

18 MIKE SANTOLI: -- is coming from
19 potentially, so --

20 MALE VOICE: Yeah, we're getting --

21 MIKE SANTOLI: -- it's all -- I mean,
22 the swirl of questions grows.

23 MALE VOICE: We're getting into deep
24 speculation, which we just wallow in, guys.

25 BOB PISANI: You love that, right?

1 MALE VOICE: We love that. That's what
2 we do.

3 MIKE SANTOLI: Ask Harvey Pitt about
4 Section 9. I think Section 9 of the SEC Act,
5 I mean, Harvey would know this, was the one
6 that was dealing with market manipulation.
7 They had a whole thing about this. This is
8 very, very well-developed securities law right
9 now.

10 (End of Video Recording.)
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CERTIFICATE

I, Wendy Sawyer, do hereby certify that I was authorized to and transcribed the foregoing recorded proceedings and that the transcript is a true record, to the best of my ability.

DATED this 5th day of May, 2022.

A handwritten signature in black ink, appearing to read "Wendy Sawyer", is written over a horizontal line.

WENDY SAWYER, CDLT